



# PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

**FOR IMMEDIATE RELEASE**  
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## **HeritageBank of the South, Albany, Georgia, Assumes All of the Deposits of Citizens Bank of Effingham, Springfield, Georgia**

Citizens Bank of Effingham, Springfield, Georgia, was closed today by the Georgia Department of Banking and Finance, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with HeritageBank of the South, Albany, Georgia, to assume all of the deposits of Citizens Bank of Effingham.

The four branches of Citizens Bank of Effingham will reopen on Saturday as branches of HeritageBank of the South. Depositors of Citizens Bank of Effingham will automatically become depositors of HeritageBank of the South. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship in order to retain their deposit insurance coverage up to applicable limits. Customers of Citizens Bank of Effingham should continue to use their existing branch until they receive notice from HeritageBank of the South that it has completed systems changes to allow other HeritageBank of the South branches to process their accounts as well.

This evening and over the weekend, depositors of Citizens Bank of Effingham can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of December 31, 2010, Citizens Bank of Effingham had approximately \$214.3 million in total assets and \$206.5 million in total deposits. HeritageBank of the South will pay the FDIC a premium of 1.0 percent to assume all of the deposits of Citizens Bank of Effingham. In addition to assuming all of the deposits of the failed bank, HeritageBank of the South agreed to purchase essentially all of the assets.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at [www.fdic.gov](http://www.fdic.gov), by subscription electronically (go to [www.fdic.gov/about/subscriptions/index.html](http://www.fdic.gov/about/subscriptions/index.html)) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). **PR-39-2011**

The FDIC and HeritageBank of the South entered into a loss-share transaction on \$158.1 million of Citizens Bank of Effingham's assets. HeritageBank of the South will share in the losses on the asset pools covered under the loss-share agreement. The loss-share transaction is projected to maximize returns on the assets covered by keeping them in the private sector. The transaction also is expected to minimize disruptions for loan customers. For more information on loss share, please visit: <http://www.fdic.gov/bank/individual/failed/lossshare/index.html>.

Customers who have questions about today's transaction can call the FDIC toll-free at 1-800-930-6827. The phone number will be operational this evening until 9:00 p.m., Eastern Standard Time (EST); on Saturday from 9:00 a.m. to 6:00 p.m., EST; on Sunday from noon to 6:00 p.m., EST; and thereafter from 8:00 a.m. to 8:00 p.m., EST. Interested parties also can visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/citizensbk-ga.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$59.4 million. Compared to other alternatives, HeritageBank of the South's acquisition was the least costly resolution for the FDIC's DIF. Citizens Bank of Effingham is the twentieth FDIC-insured institution to fail in the nation this year, and the sixth in Georgia. The last FDIC-insured institution closed in the state was Habersham Bank, Clarkesville, earlier today.

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